Belgium

The Belgian construction market has shown healthy growth in recent times, particularly in civil engineering and housing. However, past its peak, cement demand growth is expected to tail off slowly in 2007.

The Belgian GDP grew by 2.2 per cent in 2005, compared with 2.9 per cent in 2004. For 2006, growth is forecast to reach 2.7 per cent before declining to 2.1 per cent in 2007. Inflation, forecast at 2.4 per cent in 2006, is expected to ease to 1.9 per cent in 2007. Overall construction activity rose by around five per cent in 2005. Civil engineering did best, up around 6.5 per cent, but does tend to perform well ahead of elections. Commercial and industrial building activity, up by almost 10 per cent in 2004, fell back three per cent as both offices and industrial and commercial building eased off. Residential building permits rose by around 14 per cent nearing 59,000 units, the best since the 1970s. Actual starts were ahead by a more modest three per cent.

Consumption
Grey cement consumption rose by 0.9 per cent in 2005 to 6Mt. The use of slag containing cement, CEM II-S and CEM III, is high and represented 50 per cent of domestic deliveries in 2005, having peaked at 54 per cent in 2003. Rail tends not to be used for domestic deliveries to end customers, but water-borne transport has edged up its share to five per cent, compared with 95 per cent by road. Bagged cement represented 12 per cent of domestic deliveries in 2005, showing that the downward trend is still in place. In 2005, readymixed concrete producers accounted for 51.9 per cent of domestic deliveries, compared with 24.8 per cent going into concrete products, builders’ merchants accounting for 13.9 per cent, direct deliveries to construction sites 8.1 per cent and fibre cement products 1.8 per cent.

Production
Production of grey cement by the three integrated producers rose by some six per cent to 6.59Mt, suggesting a total production volume of around 7.1Mt, excluding clinker.

Belgium is one of the leading countries in the use of alternative kiln fuels, both in terms of usage and of the range of materials available and authorised for burning. Capital investment by the big three amounted to €30.9m in 2005.

Cement is one of HeidelbergCement, is the leading cement producer in Belgium and the only white cement producer. The company operates two integrated grey cement works at Lixhe and Antoing, a white cement unit at Harmignies and a grinding plant in the port of Ghent, with a 3Mta combined cement capacity. Domestic deliveries improved somewhat, although largely offset by reduced export shipments.

Holcim (Belgique) is the second producer, with an integrated plant at Obourg and a grinding mill at Haccourt, with a 2.8Mta total capacity. Both Holcim and CBR operate export/import terminals in the Antwerp docks.

The third producer is Compagnie des Ciments Belges (CCB), wholly owned by Italcementi’s Ciments Français. The company operates a 2.3Mta single plant at Gaurin (Tournai). The strength of the French market has enabled the group to considerably increase cement shipments to France, while Benelux deliveries rose by 12.6 per cent in 2005.

VVM commissioned a 0.65Mta grinding plant at its Antwerp import terminal early in 2003. Later in 2006, a second, and larger, 0.9Mta grinding station is scheduled to come on-stream in Ghent port. VVM is controlled by the Van Eeckhout family, which also im-